

Conflict Minerals Policy

Revised May 27, 2014

As mandated by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), the Securities and Exchange Commission (the “SEC”) requires publically traded companies to publicly disclose their use of conflict minerals. Pursuant to Section 1502 of the Dodd Frank Act, the term “conflict minerals” includes tin, tantalum, tungsten, and gold (“3TG”) regardless of their origin and whether or not they fund armed conflict. Congress enacted Section 1502 because of concerns that the exploitation and trade of conflict minerals that originate in the Democratic Republic of the Congo (“DRC”) or an adjoining country (together with the DRC, “Covered Countries”) by armed groups is helping to finance conflict in the Covered Countries and is contributing to an emergency humanitarian crisis. As such, SEC registrants have been chartered to practice reasonable due diligence with their supply chain to determine if 3TG used in their products are being sourced from mines controlled by non-government or unlawful military groups within the Covered Countries.

Tracing materials back to their mine of origin is a complex endeavor but an important aspect of responsible sourcing. Biolase, Inc. (the “Company”) looks to industry guidelines to help establish its programs such as the joint Electronic Industry Citizen Coalition (“EICC”) and the Global e-Sustainability Initiative (“GeSI”) which is taking action to address responsible sourcing through the development of the Conflict-Free Smelter (“CFS”) program aiming to enable companies to source conflict-free minerals.

If an SEC registrant can establish that the conflict minerals originated from sources other than the Covered Countries, or from recycled and scrap sources, it must submit a Form SD which describes the Reasonable Country of Origin Inquiry (“RCOI”) that the SEC registrant completed.

If an SEC registrant has reason to believe that any of the conflict minerals in their supply chain may have originated in the Covered Countries, or if they are unable to determine the country of origin of those conflict minerals, then the issuer must exercise due diligence on the conflict minerals’ source and chain of custody. The SEC registrant must annually submit a Conflict Minerals Report (“CMR”) to the SEC that includes a description of those due diligence measures.

The Company’s products include 3TG; however, due to the complexity of the supply chain consisting of mines, traders, exporters, smelters, refiners, alloy producers, recyclers, component manufacturers, and direct suppliers, any of which may change from time to time due to the influence of availability, pricing, or other factors in purchasing decisions, conducting a good faith and reasonable effort to determine the source of these materials to a high degree of certainty presents a significant challenge.

Nonetheless, the Company is committed to developing and implementing a strategy to support the objectives of Section 1502 of the Dodd Frank Act and other regulations on the supply of conflict minerals. The Company’s commitment includes:

- Implementing policies and processes toward preventing the use of conflict minerals or derivative metals necessary to the functionality or production of the Company’s product(s) that finance or benefit armed groups in the Conflict Region.
- Not knowingly procuring 3TG that originate from facilities in the “Conflict Region” that are not certified as conflict free.
- Expecting suppliers whose products contain conflict minerals to establish policies, due diligence frameworks, and management systems consistent with the Organization for Economic Co-operation and Development (“OECD”) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk-Areas that are designed to accomplish this goal, and requiring their suppliers to do the same.
- Performing a reasonable country of origin inquiry (“RCOI”), including obtaining written documentation or verbal confirmation from suppliers as to whether the 3TG present in products supplied to the Company for its manufactured products originate in the Covered Countries or come from recycled/scrap sources.

- Where 3TG minerals are present and the Company has the reason to believe those minerals originated from the Covered Countries, the Company commits to performing due diligence efforts to determine source of these minerals, including requiring supplier cooperation in due diligence efforts to identify the origin of these minerals.

The Company believes in establishing and maintaining long-term relationships with suppliers whenever possible. However, if the Company determines that any supplier is, or a reasonable risk exists that it may be, violating this policy, then it will require the supplier to commit to devise and undertake suitable corrective action to move to a conflict free source. If suitable action is not taken, the Company will look to alternative sources for the product.

The Company's efforts are not to ban procurement of minerals from the DRC and adjoining countries, but to assure procurement from responsible sources in the region. If the Company determines that any of the components of its products contain 3TG from a mine or facility that is "non-conflict free," it will work towards transitioning to products that are "conflict free".